



Cyprus also started building a strategic partnership with Israel. Israel foreign deputy minister, Dany Ayalon, declared in November 2011 that Israel would be ready to defend Cyprus offshore gas activities. This was confirmed by Nentanyahu during his February 2012 visit in Nicosia.

Recent warming in its relation with Israel could be a sign that the country now seeks a foreign policy more in line with its energy interests.

Conclusion

Discoveries of offshore gas reserves offer a radical energy shift for east Mediterranean countries. These should help them boost their economies and ensure their energy security in an unstable region. Common energy interests and cooperation potential emerge among neighbouring countries like Israel and Turkey, or Israel and Cyprus but relations are still very tense on border issues. Syria is also a real concern for the emergence of regional partnerships.

Each of the Mediterranean state faces a particular challenge. In Israel, the setup of an adequate energy policy is subject to intense political debate on the issue of national security. Development of the country's unconventional oil resources would achieve the country's energy revolution. Cyprus is on the other hand very concerned about rapidly securing revenues to offset the financial crisis. The amount of reserves is so far insufficient for the country to develop fields and export gas without the cooperation of Israel. As regard Lebanon, the main issue will finally be the country's ability to set up the right governance framework.

All countries are targeting revenues from export. The volumes of gas available for exports are even more pivotal to attract investments as their domestic markets are currently quite small. They are competing to have the lead in exports. Indeed once gas will be made available for exports, then everyone will get obsessed with just one question: what will be its destination?

The obvious options after immediate, needy and friendly neighbours, not such an evident criteria in the Middle East, should be nearby Europe. After all Europe has long looked at possibilities to diversify its gas imports from Russia by looking at the region, and some of this gas is located in Cyprus, and EU's Member State. But does Europe need that gas, and does it want it liquid or piped? The question of export undoubtedly links to the role of Turkey, which has consolidated itself as an energy transit country to Europe for years.

Export options will in the end probably be framed by the world complex gas markets and regional politics rather than geographical evidence. The current energy landscape, in complete revolution, may not provide a clear cut answer. While European demand is declining, the evolution of the LNG market, and LNG prices in particular is uncertain. The US shale gas revolution has revived the hopes of many countries worldwide to find and explore their own gas, gas finds



have been multiplied thanks to high oil prices and so have LNG facilities project, although more recently geant ones have seen a backlash. Other factors will be play a large role on gas demand worldwide: countries policies as regard their energy mix, countries transport policies, coal prices. This might be further impacted by the development of tight oil in the US.